In the Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-463

C. MARSHALL DANN, COMMISSIONER OF PATENTS, PETITIONER

v.

HONEYWELL, INC.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF CUSTOMS AND PATENT APPEALS

REPLY BRIEF FOR PETITIONER

The question presented in this case is whether the subject matter of an expired design patent may be registered as a trademark. Contrary to respondent's assertions (Br. Opp. pp. 4-5), this question is both an important and recurring one which should be resolved by this Court.

1. The decision of the Court of Customs and Patent Appeals in this case permits the holder of a design patent to use the monopoly conferred by the patent to obtain exclusive rights extending beyond the life of the patent. The decision is directly contrary to the principle, established by this Court's decisions, that the limited monopoly conferred by a patent cannot be extended beyond the patent's term "whatever the legal device employed * * *." *Scott Paper Co.* v. *Marcalus Mfg. Co.*, 326 U.S. 249, 256. See also cases cited in our petition at pp. 6-8.

We are informed by the Patent Office that the question presented here is encountered with increasing frequency before trademark examiners, the Trademark Trial and Appeal Board of the Patent Office, and the Court of Customs and Patent Appeals. See, *e.g., Application of World's Finest Chocolates, Inc.*, 474 F. 2d 1012 (C.C. P.A.); *In re Hollaender Manufacturing Co.*, 181 U.S.P.Q. 603, appeal pending, C.C.P.A. Dkt. No. 74-601; *In re Soccer Sports Supply*, 180 U.S.P.Q. 527, appeal pending C.C.P.A. Dkt. No. 74-550. If the decision below is not reviewed, the number of trademark registrations of the subject matter of expired design patents will increase.[1]

2. The decision below is not only in direct conflict with the decisions of this Court but also with *Lucien Lelong, Inc.* v. *Lander Co.*, 164 F. 2d 395 (C.A. 2),[2] which held that the patent monopoly period could not be used to establish secondary meaning for trademark protection of the subject matter of an expired patent.[3]

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[1]The number of such registrations will increase because of the *stare decisis* effect of the decision below, and because the number of applications for registration is likely to increase. Indeed, since the decision below permits a patent holder to utilize the patent monopoly period (a period when no other firm could manufacture or sell the design) to establish secondary meaning, *i.e.*, that the design has acquired a meaning associated with the patent holder's good will and tradename, registration will be almost automatic, assuming the design is shown to be non-functional.

[2]Contrary to respondent's assertion, the holding in *Lelong* on this question was not dictum. "[W]here there are two grounds, upon either of which an appellate court may rest its decision, and it adopts both, 'the ruling on neither is *obiter*, but each is the judgment of the court and of equal validity with the other.' " *United States* v. *Title Ins. Co.*, 265 U.S. 472, 486; see also *Woods* v. *Interstate Realty Co.*, 337 U.S. 535, 537.

[3]While the Second Circuit has recently cited *Application of Mogen David Wine Corporation*, 328 F. 2d 925 (C.C.P.A.), that decision did not overrule *Lelong* and in fact did not even mention it. *Bose Corp.* v. *Linear Design Labs, Inc.*, 467 F. 2d 304, 309 (C.A. 2). Moreover, that part of the *Bose* decision which cites *Mogen David* is dictum, and to the extent it indicates approval of *Mogen David*, it is, we submit, incorrect.

The fact that *Lelong* involved common law trademark rights rather than the right to federal registration is irrelevant. The Lanham Trade-Mark Act provides for registration of trademarks by their owners (15 U.S.C. 1051), and ownership of domestic trademarks is determined by common law standards. As a leading trademark authority has said, the Lanham Trade-Mark Act "does not grant any greater right than that which would be recognized at common law without registration." 4 Callman, *Unfair Competition, Trademarks and Monopolies*, §97.3(a), p. 586 (3d ed.).

There is thus no reason to defer resolution of this question pending further litigation in the courts of appeals. Indeed, even if there were no conflict of decisions, we submit that it would be inappropriate to await further litigation. The question presented can arise in the courts of appeals only in the context of an infringement action between private parties. The issue may be decided without the views of the Patent Office, and for practical business reasons, it is unlikely to be resolved in infringement suits.

Registration of a trademark is *prima facie* evidence of ownership and of the exclusive right to use the mark (15 U.S.C. 1057(b)). It can have an *in terrorem* effect, particularly where it is held by a firm with substantial resources, because trademark suits, like patent litigation, can be costly and prolonged. *Cf. Blonder-Tongue* v. *University Foundation*, 402 U.S. 313, 334-338; *Lear, Inc.* v. *Adkins*, 395 U.S. 653, 699.

The question presented in this case is important in the administration of the trademark and patent laws and should be resolved by this Court.

The petition for a writ of certiorari should be granted.

Respectfully submitted.

ROBERT H. BORK,
Solicitor General.

DECEMBER 1974.

DOJ-1974-12